

To: FAX # 303-231-3385

Attn:

David S. Guzy
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Royalty Management Program
Minerals Management Service
Denver CO

From:

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3 pages

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CORONADO OIL COMPANY

OIL PRODUCERS

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OIL OPERATORS

8 June 1998

David S. Gazy

Chief, Rules and Publications Staff
Royalty Management Program
Minerals Management Service
P.O. Box 25165, Mail Stop 3021.
Denver, CO 80225-0165

To: FAX# 303-231-3385

Re: Electronic Reporting—
Proposed rulemaking

Dear Mr. Gazy:

We are responding to your request for comments from reporters to the MMS concerned about a new requirement to report our MMS-2014 and MMS-3160 reports to the MMS by electronic means.

We have no electronic means, no equipment of that type, no personnel knowledgeable about this technique, and no money to buy "new technologies" that would replace a ballpoint pen. The added burdens of acquisition and maintenance costs, higher priced more knowledgeable personnel, and disruption of the way we keep our records and do our business seems to be too great a cost for a small oil company. We do not have the money to pay fines or other people to do what we already doing—reporting.

On our MMS-2014 report, there are 13 lines for 11 leases of which 7 lines never have any activity (wells plugged, leases held by shut-in gas clauses and therefore no activity) and 6 lines used only when the lease has a sale (not very often, on stripper leases). On our MMS-3160 reports, there are 11 leases (12 pages) with approximately 175 lines monthly which are, of course, mostly 0's month after month.

It might seem that on the few non-electronic reporters remaining that MMS could reduce the burden on both the MMS and the reporters by research on a more abbreviated manner of paper reporting. Or, perhaps that some threshold number of lines reported (and actually needed) could be chosen permitting continued reporting in a paper format by those falling below that threshold. In our case,

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that would be 188 lines per month, or less if 0 lines weren't counted.

Another approach to reduce the cost and time burden might be that oil companies with few Federal leases that pay royalties of only \$ 4 or 5,000 per year,^{or less}, be required to report once per year. Some states do this on severance taxes, etc.

A requirement that all oil companies regardless of size or number of Federal leases must fit a certain standard means of reporting, electronic, would be unfair to the smallest or least able to comply.

I hope that MMS upon research and reflection can come up with a more equitable mandate than this one for its entire group of reporters.

Thank you for reading and considering the above.

Very truly yours,

Coronado Oil Company

John C. Bollenbacker
President